

February 2, 2007

Testimony on Montana HB 309

Dear Honorable Chair and Committee,

I am writing in support of HB 309. Like the biofuel industry in Montana, crafting biofuel legislation is a new endeavor for most Montanans that needs refinement and adaptation. This important legislation will help support and attract the investment needed to move this new and beneficial industry forward. Biofuels production creates good paying manufacturing jobs. Supporting biofuels production through HB 309 will help raise farmgate revenues for our rural producers, thus protecting the salt and backbone of our rural agricultural economy. The availability of locally produced biofuels will provide clean burning renewable fuels for our urban areas and help preserve Montana's natural beauty.

I drove here from Missoula in my 2005 VW Jetta TDI on B5 that I purchased from Cenex on North Reserve Street in Missoula. I bought our car new in 2005 and have run blends from B100 to B5 and everything in between. The one thing I have not done is run straight diesel #2. I want to protect our investment and I believe the best way to do that is by using biodiesel. As little as a 2% addition of biodiesel to diesel #2 can add 60% more lubricity to the fuel at the pump. Since the introduction of ULSD in 2006, there have been many injector pump failures due to the removal of sulfur, thus lubricity, from diesel fuel. Biodiesel more than adequately replaces that lost lubricity, and helps get us on the road towards greater energy independence while also reducing harmful emissions. Is there any better time than now to invest in our future?

I also want to support my local economy and for every percent of biodiesel I run in my car, I am able to send money to American agricultural producers, not out of control oil executives and the dictatorships both here and abroad that they support. The money spent on biodiesel stays in our economy. I am really looking forward to the day when my purchase doesn't just help an American producer, but helps a Montana producer.

Creating a B2 mandate in Montana will require around 9 MGY of biodiesel. B5 would require around 20 MGY of biodiesel. In order to meet the need for those quantities of biodiesel we would need to plant from 180,000 to 400,000 acres of oilseeds every year in rotation with wheat and barley. Brassica oilseeds help break monoculture disease and pest cycles and offer farmers a stable secondary crop to produce along side their current grain production. Meal left over from the crush process can help replace out of state soy meal to feed livestock and put additional cash back into Montana producer's pockets.

I feel that the fiscal note attached to this bill is inappropriate. For example consider the testing requirements. Why would the state test at each retail location? Biodiesel produced in Montana would likely be added to diesel #2 at either the refinery or local terminals where all the retail stations pull their fuel from. It would make more economical sense to perform the content tests at the refinery or the local terminals before

the diesel fuel is loaded into the pipeline or onto trucks bound for retail stations. Changing the testing requirements to this common sense approach would reduce costs of testing requirements to a single digit percentage of the current testing proposal. In addition, please consider that including the biodiesel production credit in the fiscal note attached to HB 309 is also inappropriate. The biodiesel production credit is part of a separate piece of legislation and should remain so. To merge the credit into the fiscal note of HB 309 is essentially double dipping and falsely inflates the actual cost of implementing this bill. The fiscal note of HB 309 should stand alone if it is to be fairly considered by this committee.

You are going to hear strong opposition from the petroleum cartels. Having testified on biofuel legislation the last two sessions and sat across the table from their hired guns, I have developed the opinion that they will oppose any and all legislation that appears to encroach on what they believe to be their exclusive territory – liquid transportation fuels. Maybe their theory is that if the door can be opened a crack, it could be busted wide open! Maybe it just makes good business sense to them to resist any alternative that they don't exclusively control. They will spin, trick, and cite all kinds of studies that support their arguments to meet their goals. All I ask from all of you is to listen to all of the evidence, ask questions from experts on both sides, and give this legitimate consideration.

Our country is at a crossroads. States across the country are making the decision to support moving our energy supply away from foreign sources that support undemocratic regimes. Independent of the petroleum driven leadership occupying the executive office, states are responding to their citizens concerns regarding domestic energy security, climate change and harmful carcinogenic pollutions. Minnesota was the first to pass aggressive B2 legislation. Washington just passed its own biofuel mandate last year. Creating biofuel requirement legislation is no longer new. It has become the right thing to do for today, and for the day after tomorrow.

Please support this bill and others like it that you will surely see in this session and sessions to come. Biofuels legislation adds value to the current generation, and ensures that the next generation is thought of as well.

Please feel free to contact me with any questions or concerns regarding this or other biofuel related legislation now or in the future. Thank you for your service to our democracy.

Best wishes,

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